



South Carolina Department of Insurance

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MARK SANFORD
Governor

ELEANOR KITZMAN
Director of Insurance

General Qualifying Requirements and Application Procedures for an Alien Eligible Surplus Lines Insurer

Outlined below are the general requirements to be met by an Alien Eligible Surplus Lines Insurer (the "Applicant") to qualify to transact business in this State. Reference should be made to Chapter 45 of Title 38 of the Code of Laws of South Carolina 1976 (1989) (the "Code"). Abbreviated version of the Code is available from the National Insurance Law Service, 21625 Prairie Street, Chatsworth, California 91311. See also Bulletins No. 9-92 and 86-1 and 25A S.C. Code Ann. Regs. 69-27 (1989).

1. The application must be submitted by a licensed resident broker. See S.C. Code Ann. Section 38-45-90. The sponsoring broker, under his/her business letterhead, must state that the Applicant will offer coverages not available through duly licensed companies and must specifically describe the coverages which will be undertaken. Once the Applicant is added to this Department's list of Alien Eligible Surplus Lines Insurers, any licensed resident broker can file an individual submission request for approval of a risk located in this State.
2. The Applicant must be listed with the National Association of Insurance Commissioners (NAIC) International Insurers Department ("IID"). Once approved to be added to this Department's list of Alien Eligible Surplus Lines Insurers, it must remain on the IID List. Should this Department receive notification from the IID that the insurer has been removed from its list, the insurer will be immediately suspended from conducting further business in this State, and its name will be removed from this Department's list of Alien Eligible Surplus Lines Insurers.
3. The Applicant will be approved to write only property, casualty, surety, and marine classes of business as defined in S.C. Code Ann. Section 38-1-20(9),(28),(34), and (37). Excess and stop-loss insurance coverage upon group life, accident, and health or upon a self-insured's life, accident, and health benefit program may also be approved as surplus lines insurance. See S.C. Code Ann. Section 38-1-20 (37.5).
4. The Applicant will not be permitted to write any class of business in this State for which it is not authorized by its charter.
5. Special instructions will be provided to licensed non-resident brokers who will participate in writing business on risks effected in this State under the Liability Risk Retention Act of 1986 for members of registered purchasing groups.

If the Applicant meets the general requirements, the sponsoring broker can submit the following information:

A. Form No. 1000A - "Application for Certificate of Authority - Surplus Lines.

B. A report of the Applicant's premium activity for the two (2) most recent calendar years using the enclosed Exhibit of Premiums and Losses format.

C. Copies of Applicant's audited financial statements, or annual reports containing substantially the same financial information, for the two (2) most recent calendar years. The information must be in English and U.S. dollars.

D. The amount of premium by line of business to be written in this State during the current and next year.

E. A copy of the U.S. Trust Agreement and a summary of the deposits held in the Trust Account.

F. A copy of the Applicant's Charter and Articles of Incorporation approved by its domiciliary country.

G. Form SCID Number 1027 ESLI - Appointment of the Director of Insurance for the State of South Carolina as Attorney to Accept Service of Process, a copy of which is enclosed.

H. Name and address of the Applicant's U.S. Counsel/Attorney-in-Fact.

I. A copy of the most recently available Standard III) Financial Reporting Format (in its entirety) which is filed annually with the IID. This format provides additional information not currently shown in the III) Financial Review of Alien Insurers.

J. List the lines of authority for which the Applicant is applying. See Page 1, #3.

K. Form No. 1008 - Affidavit of Compliance, a copy of which is enclosed.

L. Any other information which the Applicant feels would assist this Department in its review of the application.

The application should be directed to the attention of.

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